

CABLE ACCESS FUND

Planning Department

PROGRAM OVERVIEW

In December 2002 Council approved a ten-year franchise agreement for the City's cable television with Vista Television Cable Inc. (Comcast). In the 2005-06 biennium the Cable Access Special Revenue Fund will receive quarterly revenue for Public Education and Government Access TV.

BUDGET OVERVIEW

REVENUES

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|--------------------------------|---------------------|---------------------|-----------------------|---------------------|
| Beginning Fund Balance | \$0 | \$0 | \$0 | \$736,928 |
| Investment Interest | 0 | 0 | 15,000 | 5,000 |
| Cable Subscriber Contributions | 0 | 955,905 | 974,602 | 345,000 |
| TOTAL REVENUES | \$0 | \$955,905 | \$989,602 | \$1,086,928 |

EXPENDITURES

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|---------------------------|---------------------|---------------------|-----------------------|---------------------|
| Supplies | \$0 | \$450,000 | \$92,296 | \$457,704 |
| Professional/Legal | 0 | 205,905 | 81,556 | 124,349 |
| Cable Equipment | 0 | 300,000 | 78,822 | 484,875 |
| Ending Fund Balance | 0 | 0 | 0 | 20,000 |
| TOTAL EXPENDITURES | \$0 | \$955,905 | \$252,674 | \$1,086,928 |

MAJOR CHANGES BETWEEN 2003-2004 BUDGET AND 2005-2006 BUDGET

Revenue highlights include:

- The beginning fund balance of \$736,928 is a carryover of one-time funds for equipment, staff time, customer service issues and additional channel branding materials that were not spent as planned.
- Quarterly PEG (Public Education Government) \$1 Subscriber Fees are projected to bring in approximately \$345,000 over the biennium, a \$610,905 decrease from the 2003-2004 budget. This reduction is due to the elimination of one-time revenues the City received associated with compliance issues and equipment purchases under the new cable franchise agreement.

Expenditure highlights include:

- Slight decrease of \$81,556 in budgeted professional services due to the completion of the City's cable ordinance and franchise agreement.
- Equipment purchases have increased by \$192,579 to enhance Redmond's cable channel through expansion of cable access and mobile studio.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

No program changes were authorized for this fund.

2003-2004 ACCOMPLISHMENTS

- Updated the City's cable ordinance and franchise agreement to ensure that cable providers meet the safety, customer service, and technical service delivery needs of Redmond customers.
- Provided the Teen and Senior Centers with cable television production equipment to support their ability to create original productions.
- Televised hundreds of City meetings including City Council, Planning Commission, Arts Commission and special events; produced 737 hours original programming (303 individual programs) for RCTV 21; won five Savvy Awards for original programming. Began RCTV web streaming. RCTV.

2005-2006 WORKPLAN INITIATIVES

- Expand RCTV cable access by adding a second channel for expanded bulletin board information and meeting playback.
- Expand ability to provide live cable coverage of events about town through mobile studio. Pursue ability to provide web archiving of significant public meetings (such as Council business meetings, etc.)

OPERATING GRANTS FUND

Planning and Community Development Department

PROGRAM OVERVIEW

The Planning Department's Community Affairs division seeks and manages grants to complete special studies or implement pilot programs to support commute trip reduction programs in partnership with area employers. The grant revenue received is accounted for in the Operating Grants Fund. In addition, a portion of the business tax and a transfer from the Transportation CIP is used to pay for programs in this fund.

BUDGET OVERVIEW

REVENUES

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|----------------------------------|---------------------|---------------------|-----------------------|---------------------|
| Beginning Fund Balance | \$1,177,678 | \$1,058,799 | \$1,058,799 | \$1,928,688 |
| Operating Grants | 272,330 | 415,741 | 419,341 | 286,942 |
| Business Tax | 292,424 | 1,507,000 | 2,091,694 | 800,000 |
| Transfer from Transportation CIP | 170,000 | 170,000 | 170,000 | 100,000 |
| TOTAL REVENUES | \$1,912,432 | \$3,151,540 | \$3,739,834 | \$3,115,630 |

EXPENDITURES

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|-------------------------------|---------------------|---------------------|-----------------------|---------------------|
| BTTI supported projects | \$280,808 | \$1,821,438 | \$588,559 | \$2,303,380 |
| Transportation Demand Mgmt | 504 | 300,637 | 38,000 | 347,637 |
| Overlake Transit Enhancements | 201,332 | 225,200 | 88,600 | 131,815 |
| Shuttle | 146,719 | 61,510 | 654 | 45,856 |
| Commute Trip Reduction | 224,270 | 734,141 | 292,141 | 286,942 |
| Transfer to BTTI Fund | 0 | 0 | 803,192 | 0 |
| Ending Fund Balance | 0 | 8,614 | 0 | 0 |
| TOTAL EXPENDITURES | \$853,633 | \$3,151,540 | \$1,811,146 | \$3,115,630 |

| | | | | |
|------------|------|------|------|------|
| TOTAL FTEs | 3.25 | 3.25 | 3.25 | 3.25 |
|------------|------|------|------|------|

MAJOR CHANGES BETWEEN 2003-2004 BUDGET AND 2005-2006 BUDGET

Revenue highlights include:

- Beginning fund balance increased by \$869,889 due to the carryover of funds for continuing grant programs and Business Tax supported activities. The programs supported by the Business Tax include the Business Transportation Resources and Recognition Program, performance-based incentives for commute trip reduction, the Redmond Parking Management Demonstration as well as other Transportation Demand Management (TDM) projects.

Expenditure highlights include:

- Slight increase of \$90,690 in budgeted expenditures due to the continuation of Business Tax supported programs as well as the addition of new programs approved by the Council in late 2003.
- Continuation of Business Tax supported projects approved in 2003-2004, and continuing in 2005-2006, include: Rideshare Rewards program budgeted at \$724,000, TDM Incentive City at \$780,000, performance-based incentive program at \$497,000, Redmond parking management demonstration program at \$139,000, and the Resources and Recognition Program at \$162,000.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

No program changes were authorized for this fund.

2003-2004 ACCOMPLISHMENTS

- Administered Commute Trip Reduction programs for 53 Redmond worksites representing 43,000 commuters at 32 companies.
- Removed over 400,000 automobile trips from Redmond streets through R-TRIP programs; R-TRIP presented with 2004 PSRC Vision 2020 award.
- Awarded nine R-TRIP grants to Redmond businesses, created 38 new vanpools (547 vanpool riders), and developed R-Rewards program – providing cash rewards for ridesharing – with 1,200 participants.
- Partnered with the GRTMA and Sound Transit to develop the City's first bike station and a Commuter Services Building at the Overlake - 40th Street Transit Center.

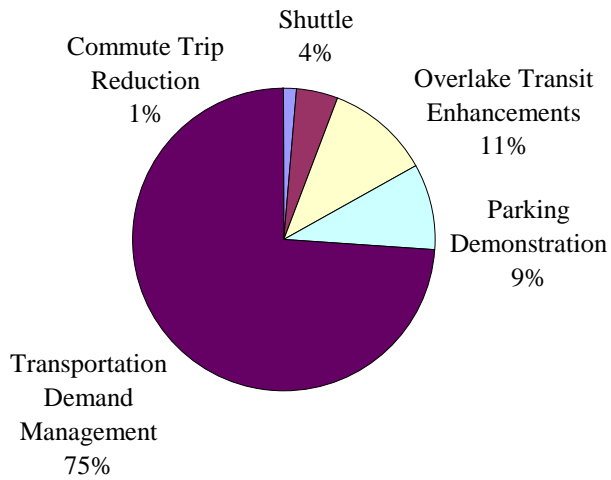
2005-2006 WORKPLAN INITIATIVES

- Conduct a citywide parking study.
- Develop an initiative for a residential-based trip reduction program.
- Conclude a two-year bike station demonstration program in the Overlake area.
- Implement an employer-based commute trip reduction incentive program that provides a direct cash incentive to businesses that reduce their employee commute trips.

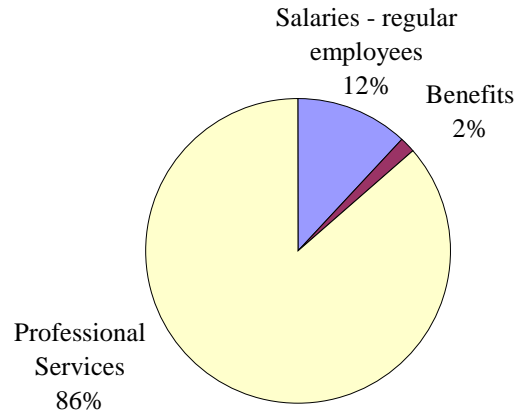
SUMMARY OF DEPARTMENT RESOURCES

2005-2006 Budget \$3,115,630

By Division/Program Area



By Category of Expense



HUMAN SERVICES GRANT FUND

Planning and Community Development Department

PROGRAM OVERVIEW

The Planning Department's Human Services division administers Redmond's share of federal Community Development Block Grant (CDBG) funds for public service, planning and capital projects that primarily benefit low- and moderate-income residents, as well as administering the General Fund per capita contribution to human services. The division also seeks and manages other grants (both public and private) that support division goals.

BUDGET OVERVIEW

REVENUES

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|-----------------------------|---------------------|---------------------|-----------------------|---------------------|
| Beginning Fund Balance | \$61,374 | \$45,801 | \$45,801 | \$13,505 |
| Block Grant | 210,538 | 295,859 | 285,798 | 119,443 |
| Per Capita Transfer from GF | 977,027 | 1,075,922 | 1,075,922 | 1,098,548 |
| TOTAL REVENUES | \$1,248,939 | \$1,417,582 | \$1,407,521 | \$1,231,496 |

EXPENDITURES

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|---------------------------|---------------------|---------------------|-----------------------|---------------------|
| Salaries and Benefits | \$56,520 | \$59,738 | \$62,486 | \$20,056 |
| Professional/Legal | 1,146,930 | 1,328,500 | 1,308,789 | 1,207,689 |
| Ending fund balance | 0 | 29,344 | 22,741 | 3,751 |
| TOTAL EXPENDITURES | \$1,203,450 | \$1,417,582 | \$1,394,016 | \$1,231,496 |

| | | | | |
|------------|------|------|------|------|
| TOTAL FTEs | 0.34 | 0.34 | 0.34 | 0.34 |
|------------|------|------|------|------|

MAJOR CHANGES BETWEEN 2003-2004 BUDGET AND 2005-2006 BUDGET

Revenue highlights include:

- Decline in projected CDBG funds of \$176,416 due to cutbacks by the federal government for human services programs.

Expenditure highlights include:

- Decrease in CDBG-supported projects (\$176,416) such as literacy, food bank, and job support due to the decline in federal CDBG dollars allocated to the City.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

No program changes were authorized for this fund.

2003-2004 ACCOMPLISHMENTS

- Conducted allocations process to award Community Development Block Grant and City of Redmond Human Services funds for 2004-2005. Monitored contracts for projects receiving funds in 2003-2004.
- Initiated joint applications process and pooled funding with other Eastside cities.
- Implemented successful economic development project (with CDBG funds) that increased the availability of child care, allowing unemployed residents to re-enter the workplace.

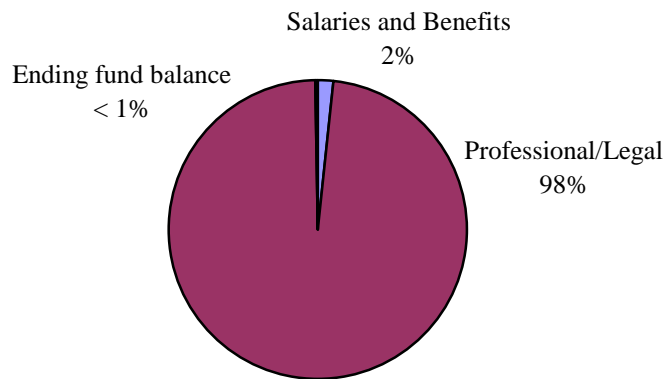
2005-2006 WORKPLAN INITIATIVES

- Negotiate new Community Development Block Grant Interlocal agreement.
- Expand joint and pooled funding initiatives.
- Continued monitoring of all City- and CDBG-funded projects.

SUMMARY OF DEPARTMENT RESOURCES

2005-2006 Budget \$1,231,496

By Category of Expense



ADVANCED LIFE SUPPORT (ALS) SYSTEM

Fire Department

PROGRAM OVERVIEW

In 2002, the City Council granted approval for the City of Redmond to become the lead agency for Advanced Life Support (ALS) for the Northeast King County ALS Consortium. The Northeast King County ALS Consortium is made up of Redmond, Kirkland, Woodinville, Duvall, Fall City, and unincorporated areas surrounding those communities. The Advanced Life Support Fund was created to track revenues and expenditures related to the management and provision of advanced life support services.

The ALS fund is supported by the King County Emergency Services levy, grant revenue and private contributions.

BUDGET OVERVIEW

REVENUES

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|--------------------------|---------------------|---------------------|-----------------------|---------------------|
| Beginning fund balance | \$0 | \$0 | \$0 | \$582,089 |
| King County EMS Levy | 0 | 6,604,466 | 6,604,466 | 7,156,195 |
| KC equipment replacement | 0 | 0 | 0 | 387,517 |
| ALS transition funding | 0 | 75,000 | 75,000 | 0 |
| Private contributions | 0 | 77,398 | 75,668 | 0 |
| TOTAL REVENUES | \$0 | \$6,756,864 | \$6,755,134 | \$8,125,801 |

EXPENDITURES

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|---------------------------|---------------------|---------------------|-----------------------|---------------------|
| Salaries and benefits | \$0 | \$5,475,645 | \$5,214,059 | \$5,943,497 |
| Supplies | 0 | 327,575 | 282,165 | 309,239 |
| Professional/Legal | 0 | 370,896 | 166,400 | 263,442 |
| Intergovernmental | 0 | 271,580 | 267,852 | 200,000 |
| Capital Equipment | 0 | 37,300 | 0 | 387,517 |
| Interfund Transfers: | | | | |
| General Fund | 0 | 200,751 | 200,751 | 370,910 |
| Information Technology | 0 | 15,000 | 0 | 0 |
| Insurance Claims/Reserves | 0 | 41,818 | 41,818 | 72,931 |
| Ending fund balance | 0 | 16,299 | 0 | 578,265 |
| TOTAL EXPENDITURES | \$0 | \$6,756,864 | \$6,173,045 | \$8,125,801 |
| TOTAL FTEs | 0.00 | 26.00 | 26.00 | 29.00 |

MAJOR CHANGES BETWEEN 2003-2004 BUDGET AND 2005-2006 BUDGET

Revenue highlights include:

- Increase in King County Emergency Services Levy of \$551,729 based on a 2005-2006 increase of 5% and 4.7% per unit allocation, respectively.
- Addition of a one-time King County allocation to fund the replacement of three Medic One aid units. King County policy supports replacing the medic units every three years.

Expenditure highlights include:

- Rise in salary and benefit costs by \$751,268 due to inclusion of three new paramedics (see Paramedic Firefighters item in the next section) as well as projected market adjustments and medical benefit increases.
- Increase in overhead by \$170,000 based on the citywide overhead analysis conducted in 2003.
- Increase in ending fund balance reflects carry-over monies from 2003-2004 and a contingency for projected contract increases.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)Paramedic Firefighters: \$454,938; 3.0 FTEs

The King County EMS Strategic Plan has identified that Medic 35 should be a full-time medic unit with two paramedics in 2006. A total of nine paramedics is necessary to ensure staffing is maintained for a full-time medic unit without overtime to cover vacations, sick leave and holidays. Hiring two paramedic/firefighters and sending one firefighter to paramedic school will allow Medic 35 to transition to full-time. Funding for this item will be fully supported by the 2005 & 2006 Emergency Medical Services Levy.

2003-2004 ACCOMPLISHMENTS

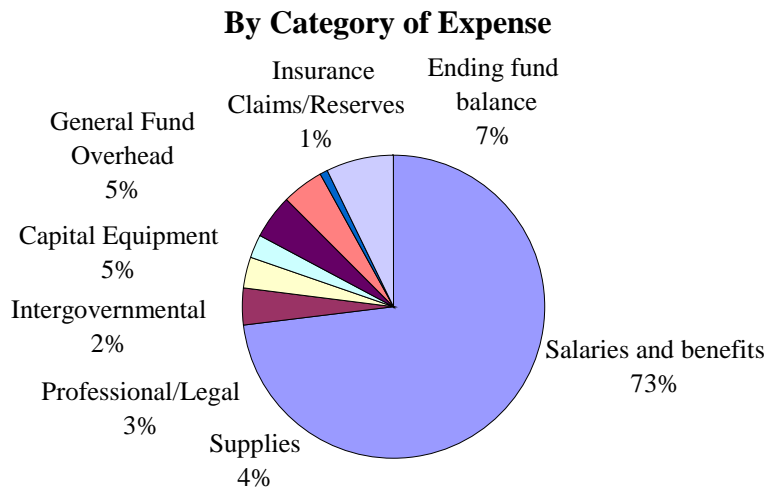
- Assimilated ALS supervisory staff into Redmond's officer structure.
- Completed the revision of the Exposure/Infectious Control Plan.
- Completed glucometry pilot for Basic Life Support (BLS) use.
- Integrated and tested outside consortium partners in the paramedic testing process.
- Implemented a department-wide EMS quality assurance and quality improvement program to monitor patient outcomes.
- Continued the successful regional EMS purchasing program to ensure that current EMS equipment is purchased and maintained to meet all state and county standards while meeting the specific needs of the department at the most affordable price.
- Continued the planning process for the temporary medic quarters (Medic 23) at Kirkland Fire Station 27 during the construction of the Emergency Department at Evergreen Hospital.

2005-2006 WORKPLAN INITIATIVES

- Ensure that all required standards and licensing requirements for providing EMS are met and maintained.
- Continue to work with BLS/ALS purchasers to assure the best equipment is purchased; purchase new heart defibrillators for ALS.
- Continue the planning process for the new medic quarters (Medic 23) in the Evergreen Hospital Emergency Department.
- Continue the planning process for the temporary medic quarters (Medic 23) at Kirkland Fire Station 27 during the construction of the emergency department at Evergreen Hospital.
- Continue to seek and submit grants and additional funding to purchase needed equipment and training. These funds help to support existing programs and new programs.
- Strategically plan for anticipated future funding from King County EMS to complete the staffing of Medic 35 with two paramedics.
- Gather information and surveys/input for the King County Medic One levy process in 2006/2007.
- Conduct the first Medical Services Officer promotional test.
- Evaluation of paramedic services and response times in our zone and county.

SUMMARY OF DEPARTMENT RESOURCES

2005-2006 Budget \$8,125,801



AID CAR DONATION FUND**Fire Department****PROGRAM OVERVIEW**

The Aid Car Donation Fund was created to provide a mechanism for receiving and expending donations to the Fire Department. Donated funds are used for the acquisition, maintenance, and repair of emergency medical equipment and other Fire Department emergency supplies. The Aid Car Donation Fund is supported by private contributions and telecom leases and will fluctuate based on the level of donations.

BUDGET OVERVIEW**REVENUES**

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|------------------------|---------------------|---------------------|-----------------------|---------------------|
| Beginning fund balance | \$75,519 | \$77,702 | \$99,310 | \$58,454 |
| Private contributions | 34,621 | 30,000 | 30,000 | 30,000 |
| Telecomm lease | 22,948 | 24,820 | 24,820 | 52,658 |
| TOTAL REVENUES | \$133,088 | \$132,522 | \$154,130 | \$141,112 |

EXPENDITURES

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|---------------------------|---------------------|---------------------|-----------------------|---------------------|
| Supplies/equipment | \$33,777 | \$56,700 | \$95,676 | \$100,000 |
| Ending fund balance | 0 | 75,822 | 0 | 41,112 |
| TOTAL EXPENDITURES | \$33,777 | \$132,522 | \$95,676 | \$141,112 |

REAL ESTATE EXCISE TAX FUND
Finance and Information Services Department

PROGRAM OVERVIEW

The Real Estate Excise Tax Fund accounts for proceeds of the 1/2 of 1% Real Estate Excise Tax. This tax is collected by King County at the time property is sold and then remitted to the City. These funds may be used only for construction of capital projects and are transferred to the capital project funds based upon the CIP functional allocation percentages established by Council. Real Estate Excise Tax collections are projected at \$5.4 million due to the continued sales of residential and commercial properties in Redmond.

BUDGET OVERVIEW

REVENUES

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|------------------------|---------------------|---------------------|-----------------------|---------------------|
| Beginning Fund Balance | \$2,396,305 | \$616,934 | \$1,319,908 | \$3,602,707 |
| Real Estate Excise Tax | 6,059,930 | 4,200,000 | 6,432,747 | 5,400,000 |
| Investment Interest | 75,305 | 60,000 | 79,107 | 40,000 |
| TOTAL REVENUES | \$8,531,540 | \$4,876,934 | \$7,831,762 | \$9,042,707 |

EXPENDITURES

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|---------------------------|---------------------|---------------------|-----------------------|---------------------|
| Interfund Transfers | | | | |
| Council CIP | \$0 | \$210,000 | \$210,000 | \$452,135 |
| Parks CIP | 1,442,326 | 1,378,640 | 1,378,640 | 1,808,541 |
| Transportation CIP | 3,245,235 | 1,890,000 | 1,890,000 | 4,069,219 |
| Fire CIP | 1,081,745 | 120,415 | 120,415 | 1,356,406 |
| Police CIP | 721,163 | 420,000 | 420,000 | 904,271 |
| General Government CIP | 721,163 | 210,000 | 210,000 | 452,135 |
| Ending Fund Balance | 0 | 647,879 | 0 | 0 |
| TOTAL EXPENDITURES | \$7,211,632 | \$4,876,934 | \$4,229,055 | \$9,042,707 |

DRUG ENFORCEMENT FUND

Police Department

PROGRAM OVERVIEW

This fund was created to allow monies from assets seized in drug raids to be used specifically for offsetting the costs of narcotics investigations, and also to purchase equipment and items related to drug investigations. Operating expenses and revenues vary depending on the number and value of seizures during any given year. For 2005-2006, these funds will be used to continue support of drug enforcement activities.

BUDGET OVERVIEW

REVENUES

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|---------------------------|---------------------|---------------------|-----------------------|---------------------|
| Beginning Fund Balance | \$72,503 | \$59,460 | \$133,560 | \$70,904 |
| Sale of Confiscated Items | 94,387 | 20,000 | 3,365 | 3,400 |
| TOTAL REVENUES | \$166,890 | \$79,460 | \$136,925 | \$74,304 |

EXPENDITURES

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|---------------------------|---------------------|---------------------|-----------------------|---------------------|
| Field Operating Expenses | \$33,330 | \$74,460 | \$64,118 | \$72,304 |
| Capital | 0 | 5,000 | 1,903 | 2,000 |
| Ending Fund Balance | 0 | 0 | 0 | 0 |
| TOTAL EXPENDITURES | \$33,330 | \$79,460 | \$66,021 | \$74,304 |

EMERGENCY DISPATCH SYSTEM FUND

Police Department

PROGRAM OVERVIEW

This fund was established in 1995 as a cost center for the emergency dispatch and records management systems. Funds were provided from a variety of sources including the General, Capital Equipment Reserve, CIP and Public Safety Bond Funds. This fund will be closed at the end of 2004 as the remaining funds are spent for communications equipment.

BUDGET OVERVIEW

REVENUES

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|------------------------|---------------------|---------------------|-----------------------|---------------------|
| Beginning Fund Balance | \$137,499 | \$146,818 | \$146,818 | \$0 |
| Investment Interest | 9,319 | 3,500 | 3,500 | 0 |
| TOTAL REVENUES | \$146,818 | \$150,318 | \$150,318 | \$0 |

EXPENDITURES

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|---------------------------|---------------------|---------------------|-----------------------|---------------------|
| Capital Equipment | \$0 | \$150,318 | \$150,318 | \$0 |
| TOTAL EXPENDITURES | \$0 | \$150,318 | \$150,318 | \$0 |

BUSINESS TAX FUND

Finance and Information Services Department

PROGRAM OVERVIEW

The Business Tax Fund receives revenues from the City's business license surcharge. These funds are earmarked for transportation and transportation demand management projects. All projects funded by this source are reviewed by the Business Tax / Transportation Improvement Committee and then submitted to the Council for approval. For ease of accounting, these funds will be collected in the new Business Tax Fund where previously they were receipted directly into the Transportation Capital Project Fund. Transfers will be for transportation and transportation demand management projects in accordance with Council approval. In 2005-2006, the Business Tax will continue at \$55 per FTE with the tax scheduled to sunset in December 2006.

BUDGET OVERVIEW

| | REVENUES | | | 2005-2006 Budget |
|------------------------------|---------------------|---------------------|-----------------------|---------------------|
| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | |
| Beginning Fund Balance | \$0 | \$6,747,670 | \$6,747,670 | \$4,616,890 |
| Business Tax | 6,271,483 | 6,611,116 | 7,480,872 | 7,008,157 |
| Investment Interest | 476,188 | 140,000 | 402,156 | 200,000 |
| Transfer In-Operating Grants | 0 | 0 | 803,192 | 0 |
| TOTAL REVENUES | \$6,747,671 | \$13,498,786 | \$15,433,890 | 11,825,047 |

| | EXPENDITURES | | | 2005-2006 Budget |
|---------------------------|---------------------|---------------------|-----------------------|-------------------------|
| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | |
| Interfund Transfers | | | | |
| Transportation CIP | \$0 | \$9,310,000 | \$9,310,000 | \$0 |
| Operating Grants | 0 | 1,507,000 | 1,507,000 | 800,000 |
| Ending Fund Balance | 0 | 2,681,786 | 0 | 11,025,047 ¹ |
| TOTAL EXPENDITURES | \$0 | \$13,498,786 | \$10,817,000 | 11,825,047 |

1. The Ending Fund Balance in the Business Tax Fund will be allocated once Council approves project recommendations from the Business Tax/Transportation Improvement (BTTI) Committee.

HOTEL/MOTEL TAX FUND

Planning and Community Development Department

PROGRAM OVERVIEW

In 1998 the Redmond City Council adopted a special excise tax of 1% on overnight lodging. This tax provides resources to support tourism development and promotion activities in the City of Redmond. Applications for tourism grant funds are submitted to the City, evaluated by staff, and awarded when approved by Council.

BUDGET OVERVIEW

REVENUES

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|------------------------|---------------------|---------------------|-----------------------|---------------------|
| Beginning Fund Balance | \$161,932 | \$124,643 | \$124,643 | \$94,681 |
| Hotel/Motel Tax | 267,895 | 270,000 | 305,000 | 395,600 |
| Investment Interest | 9,343 | 8,000 | 5,800 | 5,000 |
| TOTAL REVENUES | \$439,170 | \$402,643 | \$435,443 | \$495,281 |

EXPENDITURES

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|--------------------------------------|---------------------|---------------------|-----------------------|---------------------|
| Professional/Legal | \$314,526 | \$359,643 | \$297,762 | \$495,281 |
| Interfund Transfers - Special Events | 0 | 43,000 | 43,000 | 0 |
| Ending Fund Balance | 0 | 0 | 0 | 0 |
| TOTAL EXPENDITURES | \$314,526 | \$402,643 | \$340,762 | \$495,281 |

SOLID WASTE AND RECYCLING FUND

Public Works Department

PROGRAM OVERVIEW

The mission of the Solid Waste/Recycling division is to promote the internal and community-wide reduction, reuse, and recycling of materials and to work with other governments and private agencies in the development of solid waste regional policies. Programs under this fund are administered by two functional groups:

- Administration coordinates City-sponsored recycling events and provides management of the City's solid waste contract. It also serves as advisor to the Mayor and Council on waste and recycling issues.
- Public Education develops and presents educational programs in the City's schools and develops incentive programs to reduce the waste stream and to encourage recycling.

Revenue for solid waste and recycling activities comes from the City's recycling contract fees and state and county solid waste grants.

BUDGET OVERVIEW

REVENUES

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|-------------------------|---------------------|---------------------|-----------------------|---------------------|
| Beginning fund balance | \$653,485 | \$667,297 | \$654,083 | \$487,417 |
| Recycling contract fees | 706,735 | 700,000 | 742,801 | 700,000 |
| Solid waste grants | 124,942 | 80,000 | 152,494 | 100,000 |
| Interest earnings | 60,887 | 60,000 | 27,780 | 24,000 |
| Miscellaneous revenue | 3,455 | 0 | 9,451 | 8,400 |
| TOTAL REVENUES | \$1,549,504 | \$1,507,297 | \$1,586,609 | \$1,319,817 |

EXPENDITURES

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|---|---------------------|---------------------|-----------------------|---------------------|
| Salary and Benefits | \$404,014 | \$407,504 | \$488,501 | \$447,843 |
| Supplies | 84,047 | 151,224 | 123,687 | 178,506 |
| Professional/Legal | 217,012 | 518,100 | 248,137 | 488,197 |
| Intergovernmental - General Fund | 129,865 | 143,000 | 59,198 | 56,530 |
| Capital Equipment | 10,152 | 12,000 | 0 | 4,709 |
| Interfund Transfers General Government CIP | 0 | 124,910 | 124,910 | 0 |
| Fleet | 50,332 | 54,758 | 54,759 | 33,508 |
| Ending fund balance | 0 | 95,801 | 0 | 110,524 |
| TOTAL EXPENDITURES | \$895,422 | \$1,507,297 | \$1,099,192 | \$1,319,817 |
| TOTAL FTEs | 2.26 | 2.26 | 2.26 | 2.26 |

MAJOR CHANGES BETWEEN 2003-2004 BUDGET AND 2005-2006 BUDGET

This fund has declined by \$187,480 or 12% primarily due to money being transferred to the General Government CIP for the Solid Waste Fund's share of the new City Hall in 2003-2004. There are no major changes in ongoing revenues for 2005-2006 and program changes are minimal, as noted below.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)Citywide Records Management Program: \$4,709 (new)

The impending move to the new City Hall and the associated need to reduce file space has reinforced the need for an integrated document and records management program to manage City records. This program continues the work of the Document Imaging System adopted by the City Clerk's office several years ago. Funds for the new system will come from a variety of sources, including the Solid Waste/Recycling program.

Public Works Managers Charged Proportionately to Utilities: \$29,016; .10 FTE

Appropriately distributes time spent on utility activities by the Public Works Managers that is not captured in the overhead charge to the utility funds. In the past, time spent by managers on utility issues was captured in the overhead charge to the enterprise funds. That practice has changed requiring Public Works staff to charge directly to projects or functions that are utility-related. This reduction formalizes those policy changes by appropriately charging the Solid Waste Fund for time spent on management functions.

Natural Yard Care Program: \$5,940 (new)

Continuation of Natural Yard Care Program formerly provided by King County. The Natural Yard Care Neighborhood Program is a very successful public outreach initiative that educates residents on various aspects of nature-based lawn and garden care practices. The program enlists residents to come together to learn natural methods for gardening that have a positive impact on the environment. Due to budget constraints King County will no longer participate as a partner in this program.

Administrative Services Supervisor: -\$7,590; -.10 FTE

Due to reorganization of administrative staff, .10 FTE Administrative Services Supervisor has been moved from the Solid Waste/Recycling program to the Natural Resources and Stormwater Engineering division.

2003-2004 ACCOMPLISHMENTS

- Negotiated a seven-year comprehensive solid waste and recycling contract with Waste Management to include expanded services in automated collection, e-waste and textile curbside collection, co-mingled recycling and food waste collection.
- Continued to promote recycling with emphasis on waste reduction:
 - Increased public awareness of the City’s environmental projects by conducting several public outreach initiatives for events within the Natural Resources Division, City departments and community-based events.
 - Held three successful recycling events for Redmond residents. The events were expanded to include a larger household donations site and to accept e-waste such as computers and televisions.
- Participated in a residential “Food Waste Organics Collection Pilot Program” in a collaborative effort with King County Solid Waste, involving approximately 700 residential customers. This successful program received national attention through CNN and was further enhanced to include food waste collection for all Redmond residents in the new contract with Waste Management.
- The City of Redmond is currently participating in a commercial “Food Waste Organics Collection Pilot Program” in a collaborative effort with King County Solid Waste Division and Waste Management, involving 35 commercial business customers.

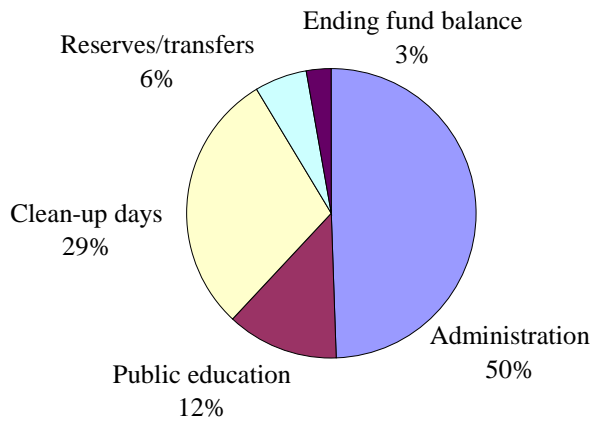
2005-2006 WORKPLAN INITIATIVES

- Coordinate Redmond recycling events, to be relocated permanently to the Maintenance and Operations Center.
- Improve customer service and public outreach initiatives to City residents, departments and divisions.
- Continue to promote recycling with emphasis on waste reduction initiatives within the City government and throughout the community.
- Evaluate Commercial Food Waste pilot program as a possible addition to the current Solid Waste and Recycling contract.

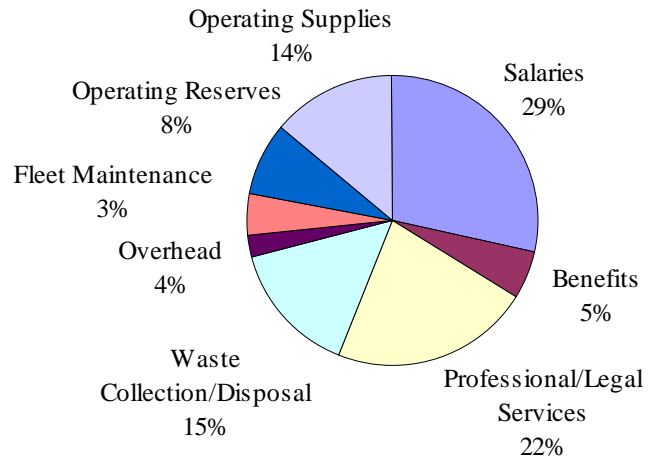
SUMMARY OF DEPARTMENT RESOURCES

2005-2006 Budget \$1,319,817

By Division/Program Area



By Category of Expense



DEBT SERVICE FUND – EXCESS LEVY

Finance and Information Services Department

PROGRAM OVERVIEW

The Debt Service Fund for the excess property tax levy accounts for debt service on voted general obligation (G.O.) bonds. The excess property tax levy provides money for the payment of principal and interest on the 1992 Refunding issue and the 1994 G.O. Fire/Refunding issue. The ending fund balance is required to provide sufficient funds to cover debt service payments that become due prior to the City's receipt of property tax revenues from King County.

At the end of 2005, the City will retire the 1992 Refunding issue which refunded the 1986 general obligation bonds for the Public Safety Building and Senior Center. With the retirement of these bonds, the City only has one general obligation bond issue outstanding: the 1994 Unlimited Tax G.O. which was issued for the construction of the SE Redmond fire station, acquire land in northeast Redmond for a future fire station, and refund the 1990 Parks Bonds. These bonds, which will have an outstanding principal balance of \$1,735,000 as of 12/31/06, will be paid off in 2013.

BUDGET OVERVIEW

REVENUES

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|----------------------------|---------------------|---------------------|-----------------------|---------------------|
| Beginning fund balance | \$323,536 | \$200,120 | \$212,915 | \$209,343 |
| Property tax - excess levy | 5,602,014 | 6,682,692 | 5,840,693 | 3,982,593 |
| TOTAL REVENUES | \$5,925,550 | \$6,882,812 | \$6,053,608 | \$4,191,936 |

EXPENDITURES

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|--------------------------------|---------------------|---------------------|-----------------------|---------------------|
| G.O. Bond principal & interest | \$5,663,614 | \$6,685,692 | \$5,844,265 | \$3,982,593 |
| Ending fund balance | 0 | 197,120 | 0 | 209,343 |
| TOTAL EXPENDITURES | \$5,663,614 | \$6,882,812 | \$5,844,265 | \$4,191,936 |

DEBT SERVICE FUND – PARK LOANS

Finance and Information Services Department

PROGRAM OVERVIEW

The Park Loan Debt Service Fund provides for principal and interest payments on the 2003 loans for the development and improvement of Perrigo and Grasslawn parks. The loan duration is five years with the final payment to be made in 2008.

BUDGET OVERVIEW

REVENUES

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|-------------------------|---------------------|---------------------|-----------------------|---------------------|
| Beginning fund balance | \$0 | \$0 | \$0 | \$0 |
| Transfer from parks CIP | 0 | 841,999 | 789,777 | 1,645,610 |
| TOTAL REVENUES | \$0 | \$841,999 | \$789,777 | \$1,645,610 |

EXPENDITURES

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|--------------------------------|---------------------|---------------------|-----------------------|---------------------|
| G.O. Bond principal & interest | \$0 | \$841,999 | \$789,777 | \$1,645,610 |
| Ending fund balance | 0 | 0 | 0 | 0 |
| TOTAL EXPENDITURES | \$0 | \$841,999 | \$789,777 | \$1,645,610 |